

IFC invests \$100 million in Mahindra Finance

Finance

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July 03, 2018, New Delhi, India: IFC, a member of the World Bank Group, has invested INR 6.4 billion (\$100 million) in Mahindra & Mahindra Financial Services Ltd (Mahindra Finance). This investment will enable Mahindra Finance to further augment its growth, by extending loans to individuals, including farmers, to buy tractors, vehicles and other equipment, along with financing small and medium enterprises.

The investment in Mahindra Finance, the country's leading rural finance company and India's largest tractor financier that reaches more than half of India's 600,000 inhabited villages, will be through secured nonconvertible debentures.

Mechanized farming can cut costs by 25% and raise productivity by 20%. That will help meet the Government's target of doubling farmers' incomes by 2022. At present, less than 30 percent of India's farmers use modern equipment. To compound matters, 80 percent of farms in India are classified as "small and marginal", and require financing for smaller mechanization solutions.

"Since its inception in 1991, Mahindra Finance has been working in the rural and semi-urban areas of India, catalyzing financial inclusion of the unbanked and under-served communities and also partnering with them in

their difficult times. Our focus has been on enabling these customers with innovative financial solutions, tailor made to their evolving needs, fueling entrepreneurial aspirations, promoting self-reliance and transforming lives. We believe that we are uniquely positioned to serve and grow this segment because of our deep penetration and knowledge” said Ramesh Iyer, Vice-Chairman & Managing Director, Mahindra Finance.

Mahindra Finance’s parent company, the vehicles-to-software conglomerate, Mahindra & Mahindra, has been IFC’s partner for several decades. The new loan will help the company expand further and cater to the needs of small landholders. Sixty percent of rural households depend on agriculture for their livelihood. Yet, agricultural productivity has not increased and climate change holds a serious threat to the sector.

“To make a significant impact in the agriculture sector, we need to provide patient capital and deliver climate-smart solutions. Mahindra Finance brings the scale and expertise, and we aim to develop agribusiness solutions focused on women,” said Arun Kumar Sharma, Chief Investment Officer, IFC.

Agriculture plays a strong role in poverty reduction. IFC invests across the agribusiness supply chain – from farm to retail – to help boost production, increase liquidity, improve logistics, and expand access to credit for small farmers. IFC also runs large advisory programs aimed at developing farmers’ knowledge and adoption of modern agricultural practices to help them raise productivity, improve incomes, and learn new skills.

IFC is the world’s largest development finance institution focused on the private sector. Since 1956, it has invested in over 400 companies in India, providing \$17 billion in financing to the private sector.

About IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work with more than 2,000 businesses worldwide, using our capital, expertise, and influence to create markets and opportunities in the toughest areas of the world. In FY17, we delivered a record \$19.3 billion in long-term financing for developing countries, leveraging the power of the private sector to help end poverty and boost shared prosperity. For more information, visit www.ifc.org.

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About Mahindra & Mahindra Financial Services Limited

Mahindra & Mahindra Financial Services Limited (Mahindra Finance), part of the Mahindra Group, is one of India's leading non-banking finance companies. Focused on the rural and semi-urban sector, the Company has over 5.3 Million customers and has an AUM of over USD 8.49 Billion. The Company is a leading vehicle and tractor financier and also offers fixed deposits and loans to SMEs. The Company has 1,284 offices across the country.

Mahindra Finance is the only Non-Banking Financial Company from India to be listed on Dow Jones Sustainability Index in Emerging Market Category. Mahindra Finance has been ranked in Top 15 India's Best Workplaces to

Work in BFSI, 2018 by Great Place to Work® Institute India. We have also been recognized as Aon Best Employer 2017 and Best BFSI Brands 2018 by The Economic Times.

The Company's Insurance Broking subsidiary, Mahindra Insurance Brokers Limited (MIBL), is a licensed Composite Broker providing Direct and Reinsurance broking services.

Mahindra Rural Housing Finance Limited (MRHFL) a subsidiary of Mahindra Finance provides loans for purchase, renovation, construction of houses to individuals in the rural and semi-urban areas of the country.

Mahindra Asset Management Company Private Limited (MAMCPL), a wholly-owned subsidiary of Mahindra Finance, is acting as the Investment Manager of Mahindra Mutual Fund.

The Company has a JV in US, Mahindra Finance USA LLC, in partnership with De Lage Landen, a subsidiary of Rabo Bank, for financing Mahindra tractors in US.

About Mahindra

The Mahindra Group is a USD 20.7 billion federation of companies that enables people to rise through innovative mobility solutions, driving rural prosperity, enhancing urban living, nurturing new businesses and fostering communities. It has a leadership position in utility vehicles, information technology, financial services and vacation ownership in India and is the world's largest tractor company, by volume. It also enjoys a strong presence in agribusiness, components, commercial vehicles, speedboats, consulting services, energy, industrial equipment, logistics, real estate, steel, aerospace, defence and two wheelers. Headquartered in India, Mahindra employs over 240,000 people across 100 countries.

Learn more about Mahindra on www.mahindra.com / Twitter and Facebook:

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